



## GAS



## Iran resumes gas supplies to Turkey

**Date** : 29.01.2008

**Source** : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?newsid=94975>

Iran began pumping natural gas to Turkey Sunday after cutting supplies for three weeks, but the flow was far less than normal, the Anatolia news agency reported. The gas began flowing at a rate of between 1.5 and 2.0 million cubic meters a day, far below the usual 29 million cubic meters a day.

Iran turned off the pipeline between Russia and Turkey on Jan. 7, citing cold weather and a consumption crunch reasons. In addition to the cold snap in Iran that peaked domestic consumption, Turkmenistan also stopped sending gas to the Islamic republic. Turkey in turn was forced to stop its gas exports to western neighbor Greece and increase its imports from Russia.

In January last year, Iran stopped gas supplies to Turkey for five days to compensate for a similar domestic increase in consumption. Turkish officials have said Ankara and Tehran are considering a long-term plan to build a second pipeline that will bypass Iranian cities, which are also supplied by the existing conduit between the two countries.

## GAS



## BOTAS applies for arbitration against Tehran

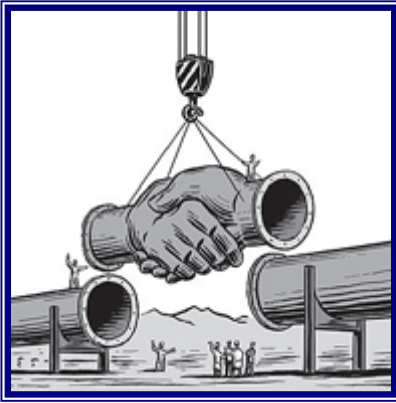
**Date** : 26.01.2008

**Source** : Turkish Daily News (Begum Gursoy – Referans)

<http://www.turkishdailynews.com.tr/article.php?newsid=94775>

BOTAS has applied for arbitration against Iran over natural gas cuts since late December in a move to strengthen its hands in an earlier case. BOTAS has asked for an 'interim ruling' by the arbitration team. According to the gas agreement, Ankara has the right to annul it if Tehran fails to supply gas for more than 70 days.

However BOTAS officials don't intend to do so since Iran is considered an important gas supplier to Turkey in the future, business daily Referans has learned from sources "The Iranian gas supply should be more disciplined, otherwise we will not continue our trade with them," BOTAS officials said. Turkey already applied for arbitration in 2004 for the same reason but the case is still ongoing.



## Turkey starts study on Iraq gas pipeline

**Date** : 30.01.2008

**Source** : Turkish Daily News

<http://www.turkishdailynews.com.tr/article.php?enewsid=95055>

Turkey has begun a feasibility study on a natural gas pipeline that will connect northern Iraq's fields to a Turkish port. BOTAS announced that feasibility studies on the Turkish side have started. The study will be sponsored by BOTAS, the Turkish Petroleum Corporation (TPAO) and the Iraqi oil ministry.

The pipeline will largely run along the same route as the twin oil pipelines from Kirkuk to the Mediterranean port of Yumurtalik in Turkey. BOTAS will hold the right to put to tender the 30–40 inch pipeline and various pumping stations, and ask for bids from international markets. Gas not consumed in Turkey will be loaded onto tankers in the form of liquefied natural gas and transferred to world markets. Once the northern Iraq gas fields are developed, 353 billion cubic feet of natural gas will flow to the port of Yumurtalik.

The Turkey-Iraq Natural Gas Pipeline Project comes after the signing of a memorandum of understanding between the Turkish Energy Ministry and the Iraqi oil minister in Ankara on Aug. 7, 2007. The parties have declared their intention to transport Iraqi gas to Europe through Turkey and their decision to form a group composed of members from the Iraqi petroleum ministry, BOTAS and TPAO in order to initiate the related feasibility studies.

The project was also on the agenda during energy talks between the U.S. and Turkish presidents in Washington earlier this month. Abdullah Gul and George W. Bush agreed to work together with Iraq to develop its oil and gas sector, Turkish Energy Minister Hilmi Guler told CNNTurk. Turkey's Energy Ministry and the Iraqi petroleum minister first initiated the project studies through agreements that were signed in 1996.



## Energy imports increase

**Date** : 31.01.2008

**Source** : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?enewsid=95172>

BOTAS plans to import an estimated 37.5 billion cubic meters of natural gas in 2008. 35 billion cubic meters will come through pipelines and the rest will be liquefied natural gas (LNG), said a BOTAS official. The cost of the imports including LNG is expected to reach \$11.7 billion in 2008, the Istanbul-based brokerage Ekspres Invest said in an e-mailed note.



## 10 applicants for Salt Lake gas storage bid

**Date** : 28.01.2008

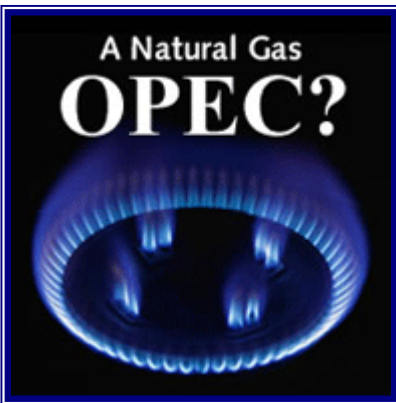
**Source** : Today's Zaman

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=132628>

BOTAS has announced the applicants list of firms and consortiums submitted prequalification applications to bid in the tender for the creation of a natural gas storage facility building under Salt Lake (Tuz Golu) in central Anatolia, set to be Turkey's largest natural gas storage facility.

The planning for the natural gas storage facility had been undertaken by BOTAS in recent years with World Bank financial support. As part of the project, natural underground salt formations will be dissolved using controlled injection of fresh water and 12 separate caverns will be built at a depth of between 1,100-1,400 meters. The tender also includes the construction of an operation facility on the surface along with the underground depots. The facility's annual natural gas storage capacity will be 1.5 billion cubic meters.

The applicants for prequalification are: ABB Process Solutions & Services S.p.A (Italy), Alsim Alarko – Dogus Insaat Consortium, Calik Enerji, Ch2M HILL International Lt. (USA) – Kocoglu Insaat Consortium, Enka Insaat, HABAU (Austria) – PPS Pipeline (Germany) – PSE Engineering (Germany) Consortium, Oyman Sayer Group, Ozaltin Insaat, PJCS Stroytransgaz (Russia) – Guris Insaat Consortium, Technimont S.p.A (Italy).



## 'Gas OPEC' to be discussed again in June

**Date** : 25.01.2008

**Source** : Rigzone (AFX News Limited)

[http://www.rigzone.com/news/article.asp?a\\_id=55838](http://www.rigzone.com/news/article.asp?a_id=55838)

Gas-producing countries will discuss the idea of forming a 'Gas OPEC' along the lines of the existing oil cartel in June in Moscow, Abdullah bin Hamad al-Attiyah, Qatar's Energy Minister said. "I think we will discuss it at the next meeting at ministerial level of the Gas Forum in June", Attiyah said at the World Economic Forum.

He said members of the existing Gas Exporting Countries Forum (GECF) had appointed a high expert to look at the idea of a gas OPEC at a meeting in Doha in 2007. Talk of a cartel for gas gained momentum in 2006 when Gazprom of Russia and Algeria's Sonatrach signed a partnership accord. Founded in 2001, GECF is an informal organisation grouping 15 countries. It includes Russia, Iran, Qatar, Venezuela and Algeria, which together control 72 pct of world gas reserves and 42 pct of production. With the exception of Russia, most of the leading gas producers are also OPEC members, such as Algeria, Iran, Qatar and Venezuela.

GAS



## LPG usage rose on demand in vehicles

**Date** : 29.01.2008

**Source** : Turkish Daily News (Bloomberg)

<http://www.turkishdailynews.com.tr/article.php?newsid=94955>

Turkish liquefied petroleum gas (LPG) consumption rose slightly in 2007, driven by demand for the fuel in cars, even as household and industrial usage fell. LPG consumption rose to 3.5 million tons last year, 0.2 percent higher than in 2006, Hasan Koktas, head of the Energy Market Regulatory Authority, said.

LPG for cars jumped 30 percent, he said. Turkey's LPG market is Europe's second biggest and was worth \$6 billion last year, Selim Siper, CEO of LPG distributor Ipragaz, said at the news conference. Bottled and bulk LPG sales plunged as more of the country connects with the natural-gas network or uses other alternative fuels, Koktas said. Bottled LPG sales fell 12 percent in 2007 from the year prior, and bulk LPG sales have dropped by more than half in the period, the regulator's report said.

Turkey imported 2.7 million tons of LPG last year, 41 percent of which was from Algeria, the report said. The rest was supplied primarily by Norway, Kazakhstan, Libya, Nigeria, Russia and Saudi Arabia. TUPRAS, Turkey's sole oil refiner, imported 104,651 tons of LPG, and the rest was bought by distributors, the report said. Aygaz, Milangaz, Ipragaz and Royal Dutch Shell Plc are the four biggest LPG distributors and together control 58 percent of the market.

OIL



## Petrobras eyes Iran's Caspian play

**Date** : 31.01.2008

**Source** : Upstream Online

<http://www.upstreamonline.com/live/article147936.ece>

Brazilian state-run giant Petrobras is in talks with Iranian officials to join the Islamic Republic's deep-water Caspian Sea play, according to reports. The report, published in the Iran Daily, quoted Mohammad Javad Asemipour, the first deputy head of the National Iranian Oil Company.

*“Brazilians will become the main contractor of exploration operations and development in Caspian oil and gas fields. The investment in Caspian waters may reach \$400 million-\$500 million,”* Asemipour told the newspaper. The Caspian is believed to hold about 32 billion barrels of oil in place. Meanwhile, Iran is about to commission their first semi-submersible drilling rig at the Neka port.

## GAS



# Baghdad weighs up Shell gas plan

**Date** : 31.01.2008

**Source** : Upstream Online

<http://www.upstreamonline.com/live/article147935.ece>

Shell has put forward a proposal to develop natural gas resources in Iraq, Oil Minister Hussain al-Shahristani said. *“Shell has made a proposal to Iraq for gathering gas and building a facility to supply the local market and export additional gas through southern ports or a pipeline,”* he told Reuters during a visit to Brussels.

Al-Shahristani said Baghdad was prioritising development of southern Iraq's gas and the region could provide ‘a significant amount’ of gas to Europe. He was speaking after meeting European Energy Commissioner Andris Piebalgs to discuss enhancing energy co-operation between Iraq and the European Union which is seeking to diversify its energy supplies.

Piebalgs said the EU wanted to see Iraq play ‘a full role’ in the Arab Gas Pipeline which will supply the EU, including by linking up to the Nabucco pipeline which will take gas through Turkey to western Europe from the Caspian region from 2011. Arab countries including Egypt and Iraq hope to supply natural gas to Europe by the end of 2008 and the final phase of the project linking the Syrian gas network with Turkey began late last year.

## OIL



# EIA predicts \$85 crude

**Date** : 30.01.2008

**Source** : Upstream Online

<http://www.upstreamonline.com/live/article147885.ece>

*“While prices have declined from their peak, crude oil prices do remain relatively high, based on historical levels, and EIA expects monthly average oil prices to remain above \$85 per barrel over the first half of 2008, even if OPEC keeps production (if not targets) near current levels,”* the Energy Information Administration said in its weekly review of the oil market.

*“When prices were close to \$100 per barrel, many analysts expected that OPEC might consider increasing production targets,”* the EIA said. *“However, with the recent softening of crude oil prices, this outcome is less likely, and some analysts are even raising the prospect that OPEC might reduce its production targets later in the year.”* US Energy Secretary Sam Bodman said this week that OPEC needed to raise its output to rebuild global oil inventories, ease crude prices and help the US economy.



## Khelil: OPEC has done all it can

**Date** : 30.01.2008

**Source** : Upstream Online

<http://www.upstreamonline.com/live/article147928.ece>

OPEC has already done more than enough to keep world oil markets supplied and can do nothing to influence the turmoil on world financial markets, group's president Chakib Khelil said. He told ahead of OPEC meeting that while producers were not comfortable with prices now above \$90 a barrel, a production increase in any case would not have an impact on prices.

*"This (financial) crisis has nothing to do with the oil price, oil supply and demand," Reuters quoted him as saying. "OPEC has already done more than was required from the last meeting when we increased supply by 500,000 barrels per day," Khelil said. "I haven't heard any country mention a production increase." He said: "We are not comfortable with \$10 (a barrel), we are not comfortable with \$90 (a barrel), I think we would be more comfortable if we had a price that remains stable for a long time."*

Khelil said he believed psychological factors and geopolitics were adding a \$30 premium to the 'real' price levels warranted by the fundamentals of supply and demand. *"The price is about \$50 to \$60 in reality,"* he said. He said a cut in production was 'not on the cards' and that a lot could happen before the group next meets on 5 March.



## Serbia and Russia sign strategic energy deal

**Date** : 26.01.2008

**Source** : Today's Zaman (Reuters)

<http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=132548>

Serbian leaders signed a deal with Russia giving Moscow control of the Serbian oil monopoly and the right to route a major European gas pipeline through Serbian territory. Agreements gave Gazprom a 51 percent stake in NIS, the Serbian oil and gas company, for an undisclosed price.

Gazprom's initial offer of 400 million euros (\$586 million) was described by analysts as well below market value. NIS dominates Serbia's market with a monopoly on refining and a network of almost 500 petrol stations across the country. Estimates of its market value vary between 1 billion euros (\$1.47 billion) and 2 billion euros (\$2.94 billion).

Serbia's Prime Minister Vojislav Kostunica also signed an agreement in Moscow for Gazprom to route a branch of its South Stream gas pipeline through Serbia and make Serbia a major transit hub for the supplies.

**PETFORM**  
**ANNOUNCEMENTS & REPORTS**

**+** LPG Market Sector Report (2007)

Source : EMRA  
Weblink : [http://www.epdk.org.tr/yayin\\_rapor/lpg/2007lpgsektorraporu332.pdf](http://www.epdk.org.tr/yayin_rapor/lpg/2007lpgsektorraporu332.pdf)

**+** OPEC Bulletin (January 2008)

Source : OPEC  
Weblink : <http://www.opec.org/library/OPEC%20Bulletin/2008/pdf/OB012008.pdf>

**PETFORM**  
**UPCOMING EVENTS**

**+** 2nd Annual European Gas Storage

**Date** : February 11 – 12, 2008  
**Place** : Budapest – Hungary  
**Website** : <http://www.platts.com/Events/2008/pc862/>  
**Contact** : Sophie Adams (+44 (0) 20 7176 66 58)



**+** GEO 2008 – 8th Middle East Geosciences Conference

**Date** : March 3 – 5, 2008  
**Place** : Bahrain – Bahrain  
**Website** : <http://www.aeminfo.com.bh/Geo2008/>  
**Contact** : Fawzi Al Shehabi (+973 17 55 00 33)



**+** Petrotech 2008 – 6th Middle East Refining & Petrochemicals Conference

**Date** : May 25 – 28, 2008  
**Place** : Bahrain – Bahrain  
**Website** : <http://www.mepetrotech.com/>  
**Contact** : Fawzi Al Shehabi (+973 17 55 00 33)

